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OFFICE OF COLLECTIVE BARGAINING INFORMATION  
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ONTARIO MINISTRY OF LABOUR

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HON. GREGORY SORBARA  
MINISTER

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This report reviews collective bargaining developments in Ontario in 1988. It describes the economic climate in which collective bargaining took place, and analyzes the following: the extent of bargaining and the stages at which settlements were reached; the duration of negotiations and term of agreements; the key negotiations; the wage and benefit changes in major agreements and the incidence of work stoppages.

## ECONOMIC CLIMATE

Collective bargaining in Ontario in 1988 took place in a climate of continued strong economic growth. The province's real gross domestic product expanded by 4.9% in 1988, up from 4.5% in 1987.

The strength of the economy is indicated by the low levels of unemployment throughout the year. The unemployment rate in Ontario declined for the fifth consecutive year to 5.0% in 1988.

Inflation in Ontario averaged 4.7% per year in 1988, down from 5.1% in 1987, and 4.4% in 1986. During most of the year, inflation was below 5%, but rose at the end of the year to 5.3% in December.

## COLLECTIVE BARGAINING SETTLEMENTS

Records of the Office of Collective Bargaining Information indicate that 3,567 collective agreements covering 663,997 employees were ratified in 1988. These agreements represent about 37% of all agreements on file in the Office's Collective Agreements Library.

Of the 3,567 agreements ratified, renewal agreements accounted for 3,331 or 93%, and covered 98% of all employees covered; 224 or 6% were first agreements; and the remaining 12 were extensions of existing agreements.

In terms of employees covered, the 1988 bargaining was concentrated in construction, education and related services, health and welfare services, provincial government, retail trade, communications and transportation. In each of these industries, 30,000 or more employees were covered by new collective agreements. (See Table 1)

## STAGE OF SETTLEMENT

The vast majority of the agreements, 95%, covering 85% of all employees, were settled without a work stoppage, either by the parties themselves, with the assistance of a Ministry appointed conciliation officer or mediator, or by arbitration.

Of the total settled, 42% were settled in direct bargaining by the parties; 49% were settled by the parties with the assistance of a conciliation officer, mediator or fact finder; 4% were settled at arbitration; while 5% covering 15% of all employees were settled after a work stoppage. (See Table 2)

TABLE 1

NUMBER OF COLLECTIVE AGREEMENTS RATIFIED IN 1988 AND  
EMPLOYEES COVERED, BY INDUSTRY

| INDUSTRY                                  | AGREEMENTS |         | EMPLOYEES COVERED |         |
|-------------------------------------------|------------|---------|-------------------|---------|
|                                           | NUMBER     | PERCENT | NUMBER            | PERCENT |
| ALL INDUSTRIES                            | 3,567      | 100.00  | 663,997           | 100.00  |
| MANUFACTURING                             | 1,084      | 30.38   | 129,659           | 19.52   |
| FOOD, BEVERAGES                           | 170        | 4.76    | 21,477            | 3.23    |
| TOBACCO                                   | 3          | 0.08    | 744               | 0.11    |
| RUBBER, PLASTICS                          | 47         | 1.31    | 4,574             | 0.68    |
| LEATHER                                   | 11         | 0.30    | 2,944             | 0.44    |
| KNITTING MILLS                            | 5          | 0.14    | 1,128             | 0.16    |
| CLOTHING                                  | 31         | 0.86    | 2,757             | 0.41    |
| WOOD                                      | 38         | 1.06    | 2,658             | 0.40    |
| FURNITURE, FIXTURES                       | 40         | 1.12    | 3,830             | 0.57    |
| PAPER                                     | 54         | 1.51    | 7,573             | 1.14    |
| PRINTING, PUBLISHING                      | 94         | 2.63    | 6,613             | 0.99    |
| PRIMARY METALS                            | 50         | 1.40    | 15,867            | 2.38    |
| FABRICATED METALS                         | 149        | 4.17    | 11,438            | 1.72    |
| MACHINERY                                 | 56         | 1.56    | 5,568             | 0.83    |
| TRANSPORTATION EQUIPMENT                  | 61         | 1.71    | 10,536            | 1.58    |
| ELECTRICAL PRODUCTS                       | 51         | 1.42    | 12,096            | 1.82    |
| NON-METALLIC MINERAL                      | 90         | 2.52    | 6,354             | 0.95    |
| PETROLEUM, COAL                           | 7          | 0.19    | 835               | 0.12    |
| CHEMICALS                                 | 69         | 1.93    | 4,868             | 0.73    |
| MISCELLANEOUS MANUFACTURING               | 23         | 0.64    | 2,127             | 0.32    |
| NON-MANUFACTURING, EXCLUDING CONSTRUCTION | 2,384      | 66.83   | 423,204           | 63.73   |
| FORESTRY                                  | 15         | 0.42    | 3,483             | 0.52    |
| MINING, QUARRYING                         | 35         | 0.98    | 10,973            | 1.65    |
| TRANSPORTATION                            | 145        | 4.06    | 35,410            | 5.33    |
| STORAGE                                   | 8          | 0.22    | 180               | 0.02    |
| COMMUNICATIONS                            | 20         | 0.56    | 38,832            | 5.84    |
| ELECTRIC, GAS, WATER                      | 75         | 2.10    | 3,786             | 0.57    |
| WHOLESALE TRADE                           | 143        | 4.00    | 4,938             | 0.74    |
| RETAIL TRADE                              | 140        | 3.92    | 41,471            | 6.24    |
| FINANCE                                   | 22         | 0.61    | 688               | 0.10    |
| REAL ESTATE, INSURANCE AGENCIES           | 24         | 0.67    | 2,000             | 0.30    |
| EDUCATION, RELATED SERVICES               | 317        | 8.88    | 90,268            | 13.59   |
| HEALTH, WELFARE SERVICES                  | 886        | 24.83   | 74,936            | 11.28   |
| RECREATIONAL SERVICES                     | 14         | 0.39    | 3,881             | 0.58    |
| MANAGEMENT SERVICES                       | 24         | 0.67    | 6,597             | 0.99    |
| PERSONAL SERVICES                         | 12         | 0.33    | 353               | 0.05    |
| ACCOMMODATION, FOOD SERVICES              | 73         | 2.04    | 4,983             | 0.75    |
| OTHER SERVICES                            | 112        | 3.13    | 2,811             | 0.42    |
| FEDERAL GOVERNMENT                        | 18         | 0.50    | 12,664            | 1.90    |
| PROVINCIAL GOVERNMENT                     | 12         | 0.33    | 53,032            | 7.98    |
| LOCAL GOVERNMENT                          | 289        | 8.10    | 31,918            | 4.80    |
| CONSTRUCTION                              | 99         | 2.77    | 111,134           | 16.73   |

TABLE 2

**NUMBER OF COLLECTIVE AGREEMENTS SETTLED IN 1988 AND  
EMPLOYEES COVERED, BY SETTLEMENT STAGE**

| SETTLEMENT STAGE                 | AGREEMENTS   |               | EMPLOYEES COVERED |               |
|----------------------------------|--------------|---------------|-------------------|---------------|
|                                  | NUMBER       | PERCENT       | NUMBER            | PERCENT       |
| <b>ALL AGREEMENTS</b>            | <b>3,567</b> | <b>100.00</b> | <b>663,997</b>    | <b>100.00</b> |
| DIRECT BARGAINING                | 1,493        | 41.85         | 235,441           | 35.45         |
| CONCILIATION                     | 973          | 27.27         | 105,301           | 15.85         |
| POST CONCILIATION BARGAINING     | 255          | 7.14          | 41,695            | 6.27          |
| MEDIATION                        | 486          | 13.62         | 126,360           | 19.03         |
| POST MEDIATION BARGAINING        | 19           | 0.53          | 6,120             | 0.92          |
| FACT FINDER AND POST FACT FINDER | 8            | 0.22          | 4,675             | 0.70          |
| COMPULSORY ARBITRATION           | 137          | 3.84          | 27,266            | 4.10          |
| WORK STOPPAGE                    | 173          | 4.85          | 97,946            | 14.75         |
| OTHER                            | 23           | 0.64          | 19,193            | 2.00          |

**TERM OF AGREEMENT**

Of the new agreements negotiated or arbitrated, 45% covering 44% of all employees affected by the 1988 settlements were for a 24-month duration; 32%, covering 23% of the employees, were for a 36-month term; while 13%, covering 18% of the employees, were for a 12-month term. Fifty-six agreements covering 8,512 employees were for a term of over 36 months.

TABLE 3

**NUMBER OF COLLECTIVE AGREEMENTS RATIFIED IN 1988 AND  
EMPLOYEES COVERED BY TERM OF AGREEMENT**

| TERM OF AGREEMENT     | AGREEMENTS   |               | EMPLOYEES COVERED |               |
|-----------------------|--------------|---------------|-------------------|---------------|
|                       | NUMBER       | PERCENT       | NUMBER            | PERCENT       |
| <b>ALL AGREEMENTS</b> | <b>3,567</b> | <b>100.00</b> | <b>663,997</b>    | <b>100.00</b> |
| LESS THAN 12 MONTHS   | 13           | 0.36          | 1,009             | 0.15          |
| 12 MONTHS             | 462          | 12.95         | 118,413           | 17.83         |
| 13-18 MONTHS          | 47           | 1.31          | 5,575             | 0.83          |
| 19-23 MONTHS          | 95           | 2.66          | 51,485            | 7.75          |
| 24 MONTHS             | 1,589        | 44.54         | 289,922           | 43.66         |
| 25-35 MONTHS          | 149          | 4.17          | 39,963            | 6.01          |
| 36 MONTHS             | 1,156        | 32.40         | 149,118           | 22.45         |
| OVER 36 MONTHS        | 56           | 1.56          | 8,512             | 1.28          |

## DURATION OF NEGOTIATIONS

Information on duration of negotiations is available for collective agreements that covered 200 or more employees. The 587 collective agreements ratified in 1988 that covered 200 or more Ontario employees took an average of 5.6 months to negotiate. Private sector agreements, which account for 49% of the total, were reached in 4.4 months on average, compared to 6.8 months on average for public sector agreements. Only 20 private sector agreements took more than 9 months to negotiate, whereas 65 public sector agreements took more than 9 months.

TABLE 4

### DURATION OF NEGOTIATIONS OF COLLECTIVE BARGAINING AGREEMENTS COVERING 200 OR MORE ONTARIO EMPLOYEES, RATIFIED IN 1988

| A. DURATION OF NEGOTIATIONS                       | TOTAL |         | PRIVATE SECTOR |         | PUBLIC SECTOR |         |
|---------------------------------------------------|-------|---------|----------------|---------|---------------|---------|
|                                                   | AGRTS | EMPLS   | AGRTS          | EMPLS   | AGRTS         | EMPLS   |
| TOTAL                                             | 587   | 521,148 | 285            | 277,738 | 302           | 243,410 |
| 1-3 MONTHS                                        | 205   | 161,025 | 149            | 122,036 | 56            | 38,989  |
| 4-6 MONTHS                                        | 241   | 179,510 | 101            | 110,415 | 140           | 69,095  |
| 7-9 MONTHS                                        | 56    | 51,351  | 15             | 12,656  | 41            | 38,695  |
| 10-12 MONTHS                                      | 37    | 49,539  | 6              | 3,264   | 31            | 46,275  |
| 13 MONTHS AND OVER                                | 48    | 79,723  | 14             | 29,367  | 34            | 50,356  |
| B. AVERAGE DURATION OF<br>NEGOTIATIONS, IN MONTHS | 5.6   |         | 4.4            |         | 6.8           |         |

## KEY BARGAINING SITUATIONS

**Construction** - All collective agreements in the industrial, commercial, and institutional (ICI) sector of the Ontario construction industry expired on April 30, 1988. In accordance with the Labour Relations Act, the province-wide renewal agreements that were reached shortly thereafter were for a maximum term of 24 months and are scheduled to expire again on April 30, 1990.

The construction trades negotiate with the contractors for a total wage package. The components of the package vary across the trades, but generally comprise the hourly wage rate, vacation and holiday pay, welfare and pension fund contributions, and may include employer contributions to industry, union, apprenticeship and other such funds.

The first settlement in the 1988 round of ICI bargaining was with the plumbers. They agreed to a \$3 increase in their package rates. The \$3 became the benchmark for negotiations for the other trades. Like the plumbers, most trades agreed to spread the \$3 increase equally over the 2-year period.

The construction boom in the Toronto area was an important factor in the negotiations. Its impact was reflected in several ICI

settlements that contained higher package increases for Toronto workers compared to the rest of Ontario. In some cases, the Toronto increase was \$3 while other areas received between \$2 to \$3. In non-ICI bargaining, a number of residential and heavy engineering construction settlements in Toronto matched or exceeded the ICI package increase.

**Brewing Industry** - Ontario's three largest breweries, Carling O'Keefe, Labatt and Molson, and their jointly owned Brewers' Warehousing Company reached a master settlement with five unions in locations throughout the province. The settlement called for 33-month renewal agreements effective April 1, 1988, with the first wage increase of 60¢ per hour for all regular employees retroactive to January 1, 1988. In total, regular employees will receive \$1.95 over the term of their agreements. Skilled trades receive an additional 33¢. Employees may also receive some COLA protection in the third contract year, if inflation exceeds 6%.

**Retail Food** - In September, October and November 1988, 24,800 full-time and part-time employees renewed agreements with five retail food companies operating throughout Ontario. The pattern throughout the bargaining was for 2-year agreements, with a 70¢ per hour increase to top rates in the first contract year and 55¢ per hour in the second year. The new agreements will expire between April 30 and September 1, 1990. There was some variation in the settlements with respect to the application of the increases to start rates and step rates to the maximum rates. In a number of cases, the increases were pro-rated at the steps below the maximum.

**Hospitals** - For the first time in many rounds of central bargaining between the Ontario Nurses Association (ONA) and the Ontario Hospital Association on behalf of hospitals across the province, arbitration was avoided because a negotiated settlement was reached for the renewal of 320 agreements scheduled to expire on March 31, 1988. After 5 months of negotiations, and 2 months prior to the expiry date, the new terms were ratified, affecting 38,000 nurses.

The wage adjustments included an extension of the wage grid for the Registered Nurse (RN) to provide 2 or more steps at the maximum. The new maximum will be reached after 9 years of service. Effective April 1, 1988, the wage increase ranged from 2% on the start rate to 4.75% on the maximum rate. The second year increase was 2% to 3.8%, and in the third year, all steps were increased by 4%. By the end of the contracts, an RN at the maximum will be earning \$20.62 per hour.

Other major provisions established by the settlement included a 45¢ per hour weekend premium, a twelfth paid holiday, a sixth week of paid vacation after 25 years of service, and paid maternity leave providing 15 weeks of benefits at the difference between 75% of regular wages and the UIC benefit.

In June 1988, another negotiated settlement was reached with Ontario hospitals and paramedical employees represented by Ontario Public Service Employees Union. Following up on the establishment of the standard Registered Technologist (RT) classification in the previous round of negotiations, in this round of negotiations standard classifications for Senior Technologist and Charge Technologist were introduced. RTs received wage increases ranging from 2% to 4.75%

effective April 1, 1988, 2% to 3.75% on April 1, 1989, and 4% to all steps on April 1, 1990. Other similarities with the ONA settlement included a 45¢ per hour weekend premium, a twelfth paid holiday, a sixth week of paid vacation after 25 years of service, and a paid maternity leave provision.

**Nursing/Retirement Homes** - In mid-March, an arbitration award finalized the terms of settlement between Extendicare and three other employers bargaining jointly with the Service Employees International Union. The award continued the trend towards standardized language in the various contracts, which will run until December 31, 1990.

New wage rates were established for each classification on January 1, 1988, with increases on January 1, 1989 of 2% to 5.8% and on January 1, 1990 of 2.4% to 5.4%. A Registered Nursing Assistant (RNA) at the maximum will earn \$12.94 per hour by the end of the contracts.

The award provided a breakthrough in the area of pensions by granting the first pension plan for the 3,000 full-time and part-time employees. The money-purchase plan will begin in January 1989, with mandatory participation for all employees with at least 6 months of service. To fund the plan, the employer and employee make matching contributions of 2% of earnings in 1989, and 4% each in 1990.

The introduction of a pension plan along the same lines became a major feature of subsequent settlements in the industry, including the July settlements with Central Park Lodges and Versa-Care Limited.

**Nickel Mining and Refining** - A total of 8,000 employees of Inco and Falconbridge agreed to 3-year renewal agreements in May and August, respectively. Both settlements provided general wage increases, increases to the job class increment, COLA fold-ins, and the continuation of the existing COLA. Two major features of both settlements concerned the nickel price bonus and the pension plan. The nickel price bonus provides employees quarterly payments based on the average realized price (in US \$) per pound of nickel. A new formula for generating the bonus was negotiated at Inco, while at Falconbridge the bonus was introduced for the first time. At both companies, major revisions were made to the pension plan, including restructuring of the normal and early retirement benefits, addition of a "30-and-out" benefit, and pension indexation to partially compensate for the effects of inflation on the purchasing power of pension benefits.

**Transportation** - In September 1988, the Motor Transport Industrial Relations Bureau renegotiated the general freight and general maintenance master agreements on behalf of nine trucking companies. The 4,000 employees affected, who are represented by the Teamsters, are drivers, skilled trades, and other classifications. In the first year of the contracts, skilled trades received \$1 per hour, while drivers and all other classifications received 70¢. By the final year of the 3-year agreements, the hourly rate for drivers will reach \$16.34, up from \$14.24 under the previous agreements. The COLA clause continues as before, triggered at 5% per year. Other monetary terms of settlement include increased employer contributions to the health and welfare, and pension funds.

## NEGOTIATED WAGE INCREASES

The 587 agreements ratified in 1988 that covered 200 or more employees provided an average annual increase of 4.7% in base wage rates. The increase was up from 3.9% in 1987, 4.2% in 1986, and 4.1% in 1985.

TABLE 5

### INCREASES NEGOTIATED IN MAJOR COLLECTIVE AGREEMENTS IN ONTARIO COMPARED TO THE CANADA CPI AND ONTARIO CPI, 1984-1988

| YEAR | NEGOTIATED WAGES           |                |               | CPI               |         |
|------|----------------------------|----------------|---------------|-------------------|---------|
|      | AVERAGE ANNUAL % INCREASES |                |               | ANNUAL % INCREASE |         |
|      | ALL SECTORS                | PRIVATE SECTOR | PUBLIC SECTOR | CANADA            | ONTARIO |
| 1984 | 3.9                        | 2.9            | 5.0           | 4.4               | 6.2     |
| 1985 | 4.1                        | 2.6            | 5.0           | 4.0               | 9.2     |
| 1986 | 4.2                        | 3.8            | 4.5           | 4.1               | 4.4     |
| 1987 | 3.9                        | 2.9            | 4.0           | 4.4               | 5.1     |
| 1988 | 4.7                        | 4.6            | 4.7           | 4.1               | 4.7     |

CHART 1

### SIZE OF AVERAGE ANNUAL INCREASE BY SECTOR IN TERMS OF AGREEMENTS

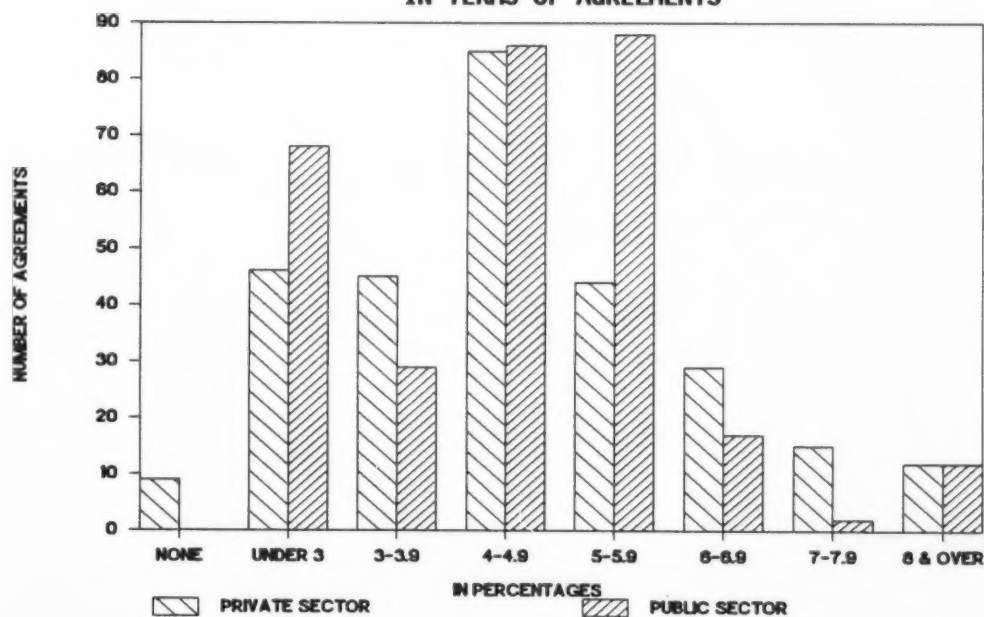
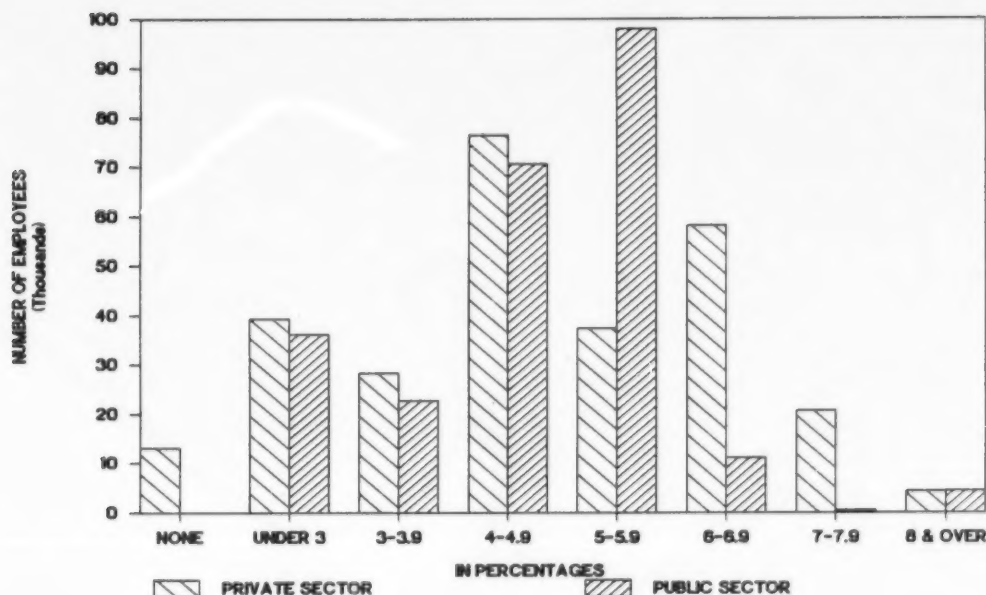


CHART 2

**SIZE OF AVERAGE ANNUAL INCREASES BY SECTOR  
IN TERMS OF EMPLOYEES COVERED**



As described in Charts 1 and 2, the most frequent wage increase in 1988 was in the range of 4.0% to 4.9% in the private sector, received by 56% of the employees covered by 58% of the agreements, while it was in the 5% to 5.9% range in the public sector, received by 40% of the employees covered by 29% of the agreements.

The trend in wages during the year was an increase from 3.8% in the first quarter to 5.1% in the second quarter, 4.5% in the third quarter, and 4.7% in the fourth quarter.

The average increase varied significantly between agreements with a Cost Of Living Allowance (COLA) and agreements without a COLA. The 93 COLA agreements averaged 3.4% per year, while the non-COLA agreements averaged 4.9% per year. The COLA/non-COLA variation was consistent across industries.

For all manufacturing agreements, the average annual increase was 3.9%. The non-manufacturing sector, containing all the public sector agreements, averaged 4.3% per year. In addition, the 54 construction agreements reached in 1988 settled above the overall average at 6.2% per year. (See Table 6)

TABLE 6

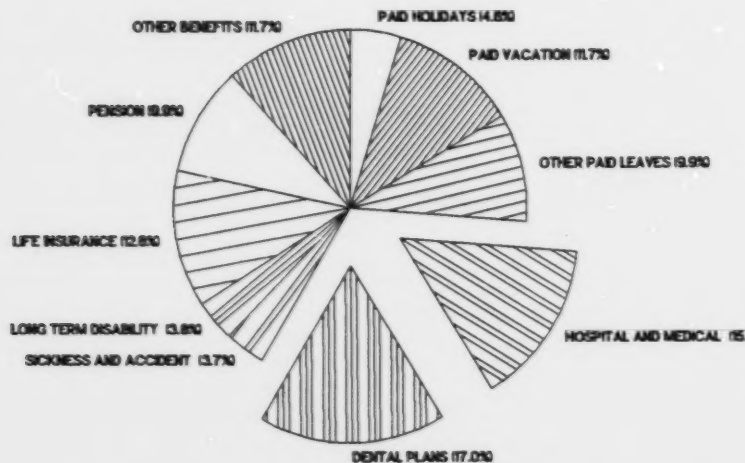
AVERAGE ANNUAL INCREASES IN BASE WAGE RATES IN COLLECTIVE BARGAINING AGREEMENTS  
COVERING 200 OR MORE ONTARIO EMPLOYEES, RATIFIED IN 1988 BY INDUSTRY

|                                              | ALL AGREEMENTS |         |     | AGREEMENTS WITH COLA |        |     | AGREEMENTS WITHOUT COLA |         |     |
|----------------------------------------------|----------------|---------|-----|----------------------|--------|-----|-------------------------|---------|-----|
|                                              | AGMTS          | EMPLS   | %   | AGMTS                | EMPLS  | %   | AGMTS                   | EMPLS   | %   |
| ALL INDUSTRIES                               | 587            | 521,148 | 4.7 | 93                   | 94,224 | 3.4 | 494                     | 426,924 | 4.9 |
| MANUFACTURING                                | 164            | 77,320  | 3.9 | 67                   | 41,430 | 2.9 | 97                      | 35,890  | 5.1 |
| FOOD, BEVERAGE                               | 27             | 12,874  | 4.3 | 14                   | 8,690  | 3.9 | 13                      | 4,184   | 5.0 |
| TOBACCO PRODUCTS                             | 1              | 688     | 6.0 | .                    | .      | .   | 1                       | 688     | 6.0 |
| RUBBER, PLASTICS                             | 6              | 1,939   | 3.2 | 4                    | 1,029  | 3.1 | 2                       | 910     | 3.3 |
| LEATHER                                      | 6              | 2,610   | 4.2 | .                    | .      | .   | 6                       | 2,610   | 4.2 |
| TEXTILE                                      | 10             | 3,966   | 5.5 | .                    | .      | .   | 10                      | 3,966   | 5.5 |
| KNITTING MILLS                               | 2              | 860     | 5.5 | .                    | .      | .   | 2                       | 860     | 5.5 |
| CLOTHING                                     | 5              | 1,333   | 4.8 | .                    | .      | .   | 5                       | 1,333   | 4.8 |
| WOOD                                         | 3              | 810     | 4.0 | .                    | .      | .   | 3                       | 810     | 4.0 |
| FURNITURE, FIXTURES                          | 5              | 1,422   | 8.0 | 1                    | 300    | 1.1 | 4                       | 1,122   | 9.8 |
| PAPER                                        | 10             | 4,075   | 3.9 | .                    | .      | .   | 10                      | 4,075   | 3.9 |
| PRINTING, PUBLISHING                         | 3              | 1,482   | 5.0 | .                    | .      | .   | 3                       | 1,482   | 5.0 |
| PRIMARY METALS                               | 19             | 13,716  | 3.0 | 15                   | 12,732 | 2.8 | 4                       | 984     | 5.0 |
| FABRICATED METALS                            | 12             | 4,351   | 4.4 | 6                    | 2,675  | 2.5 | 6                       | 1,676   | 7.3 |
| MACHINERY                                    | 5              | 2,066   | 2.1 | 2                    | 1,350  | 0.6 | 3                       | 716     | 4.7 |
| TRANSPORTATION EQUIPMENT                     | 19             | 7,799   | 3.3 | 11                   | 4,737  | 2.4 | 8                       | 3,062   | 4.6 |
| ELECTRICAL PRODUCTS                          | 16             | 10,272  | 2.8 | 11                   | 8,797  | 2.7 | 5                       | 1,475   | 3.7 |
| NON-METALLIC MINERALS                        | 7              | 3,124   | 5.4 | 3                    | 1,120  | 4.0 | 4                       | 2,004   | 5.2 |
| PETROLEUM, COAL                              | 2              | 560     | 4.5 | .                    | .      | .   | 2                       | 560     | 4.5 |
| CHEMICALS                                    | 3              | 2,205   | 4.5 | .                    | .      | .   | 3                       | 2,205   | 4.5 |
| OTHER MANUFACTURING                          | 3              | 1,168   | 6.3 | .                    | .      | .   | 3                       | 1,168   | 6.3 |
| NON-MANUFACTURING,<br>EXCLUDING CONSTRUCTION | 369            | 335,966 | 4.3 | 26                   | 52,794 | 3.7 | 343                     | 283,172 | 4.5 |
| FORESTRY                                     | 6              | 2,655   | 3.0 | .                    | .      | .   | 6                       | 2,655   | 3.0 |
| MINING, QUARRYING                            | 9              | 10,158  | 2.9 | 6                    | 8,855  | 2.3 | 3                       | 1,303   | 6.9 |
| TRANSPORTATION                               | 38             | 30,496  | 4.0 | 5                    | 6,681  | 4.7 | 33                      | 23,815  | 3.8 |
| COMMUNICATIONS                               | 11             | 38,081  | 3.7 | 5                    | 31,487 | 3.8 | 6                       | 6,594   | 3.6 |
| ELECTRIC, GAS, WATER                         | 3              | 1,751   | 4.0 | .                    | .      | .   | 3                       | 1,751   | 4.0 |
| WHOLESALE TRADE                              | 3              | 772     | 4.9 | 1                    | 230    | 4.6 | 2                       | 542     | 5.0 |
| RETAIL TRADE                                 | 17             | 37,062  | 2.6 | 1                    | 1,400  | 3.8 | 16                      | 35,662  | 2.6 |
| FINANCE, INSURANCE CARRIERS                  | 1              | 304     | 5.4 | .                    | .      | .   | 1                       | 304     | 5.4 |
| REAL ESTATE, INSURANCE AGENCIES              | 2              | 1,700   | 4.6 | .                    | .      | .   | 2                       | 1,700   | 4.6 |
| EDUCATION, RELATED SERVICES                  | 124            | 77,673  | 5.4 | 7                    | 3,741  | 4.8 | 117                     | 73,932  | 5.4 |
| HEALTH, WELFARE SERVICES                     | 90             | 35,759  | 3.3 | .                    | .      | .   | 90                      | 35,759  | 3.3 |
| RECREATIONAL SERVICES                        | 2              | 3,000   | 3.4 | .                    | .      | .   | 2                       | 3,000   | 3.4 |
| MANAGEMENT SERVICES                          | 3              | 5,370   | 5.6 | 1                    | 400    | 4.3 | 2                       | 4,970   | 5.7 |
| ACCOMMODATION, FOOD SERVICES                 | 6              | 1,522   | 4.5 | .                    | .      | .   | 6                       | 1,522   | 4.5 |
| OTHER SERVICES                               | 1              | 225     | 5.3 | .                    | .      | .   | 1                       | 225     | 5.3 |
| FEDERAL GOVERNMENT                           | 14             | 12,440  | 3.5 | .                    | .      | .   | 14                      | 12,440  | 3.5 |
| PROVINCIAL GOVERNMENT                        | 10             | 52,903  | 5.3 | .                    | .      | .   | 10                      | 52,903  | 5.3 |
| LOCAL GOVERNMENT                             | 29             | 24,095  | 5.2 | .                    | .      | .   | 29                      | 24,095  | 5.2 |
| CONSTRUCTION                                 | 54             | 107,862 | 6.2 | .                    | .      | .   | 54                      | 107,862 | 6.2 |

## KEY MONETARY BENEFITS

Eighty-seven percent of the employees covered by 95% of the agreements ratified in 1988 for bargaining units of 200 or more employees received improvements in one or more benefits. The benefits most commonly improved were dental and hospital/medical plans. Seventeen percent of the agreements covering about 33% of the employees called for changes in dental plans, mostly the updating of the payment fee schedule and increasing the maximum claims. Fifteen percent of the agreements covering about 37% of employees resulted in better hospital/medical insurance. In decreasing order of frequency, in terms of the number of employees affected by the improved benefits, were life insurance, paid vacation, pension, other paid leaves, paid holidays, long term disability and sickness and accident insurance. (See Chart 3)

CHART 3  
DISTRIBUTION OF CHANGES IN BENEFITS NEGOTIATED  
IN 1988



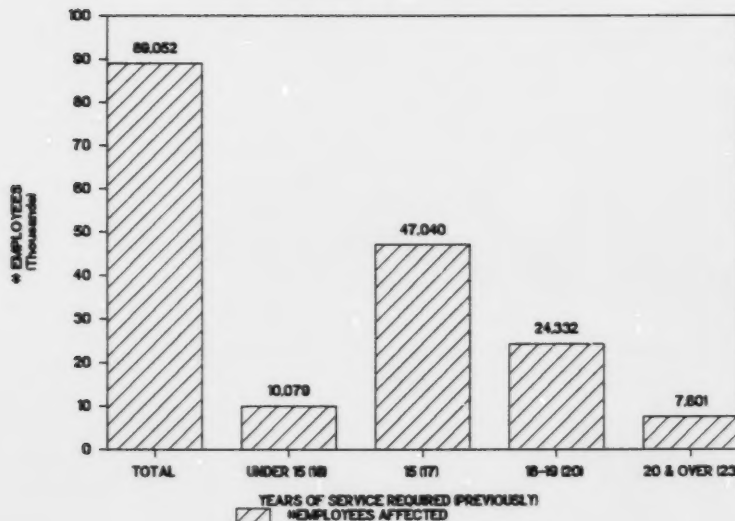
**Pension Indexing** - Pension benefits that are indexed to the Consumer Price Index (CPI) formed part of the settlement terms between 13 employers and 17,763 employees who ratified new agreements in 1988. The employers operate in the transportation, mining and manufacturing sectors. In 9 cases, pension indexing was introduced for the first time, and in the 4 other cases, the provision was modified.

The pension indexing formulas generally provide pension payments equal to a specified percentage increase in the CPI, with a cap or limit on the maximum payout. In the 1988 settlements, the formulas were tied to an increase in the CPI of between 50% to 90%. The caps were expressed as a maximum increase in the CPI, or as compared to the amount of regular pension for an active employee retiring in the given year. The provisions generally apply to retirees aged 65 or older. In some instances, changes were made to extend indexing to early retirees or to retirees without long service.

**Paid Vacation** - Improvements in paid vacation for long service employees were featured in numerous 1988 settlements. A total of 190,000 employees negotiated changes to their 5, 6, or 7 week provision.

Ten employers added a fifth week of paid vacation, affecting 4,475 employees. The most common service requirement for these new provisions is 20 years, followed by 15 years. For employees who already had a fifth week, the most common service requirement is now 15 years. As indicated in Chart 4, one-half of the 90,000 employees affected by changes to the fifth week provision, now receive 5 weeks after 15 years, and only 9% must work 20 years or more. The figures in the brackets refer to the most common previous requirement for each category.

**CHART 4**  
**5 WEEKS PAID VACATION**

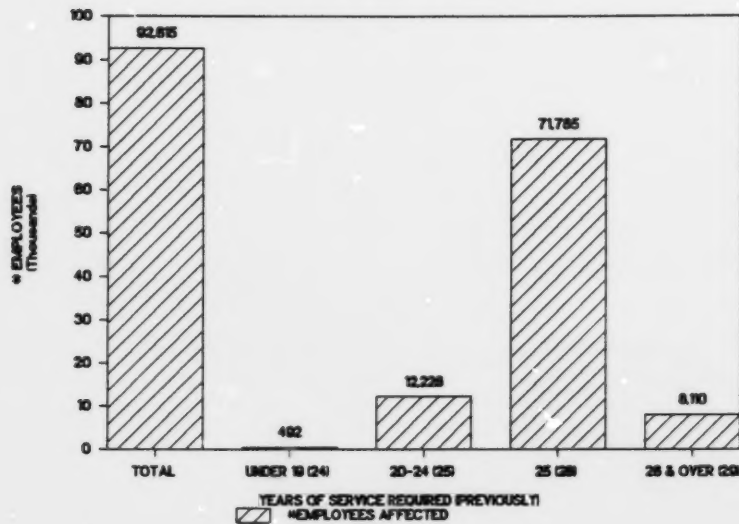


More employees were affected by changes in the sixth week provision than the fifth week provision. Primarily, this is because 18 employers added a sixth week, affecting 48,000 employees. For 45,318 of these employees, the service requirement is 25 years. For the remaining employees, the requirement ranges from 27 to 30 years.

The 25 year service requirement was also the most commonly negotiated where the provision for six weeks already existed. As Chart 5 shows, 78% of the employees affected now receive 6 weeks after 25 years, where they generally received 6 weeks after 28 years under the previous agreements. A total of 21,900 employees moved from 30 years down to 25 years. The range of service currently for six weeks is from a low of 18 years to a high of 30 years.

CHART 5

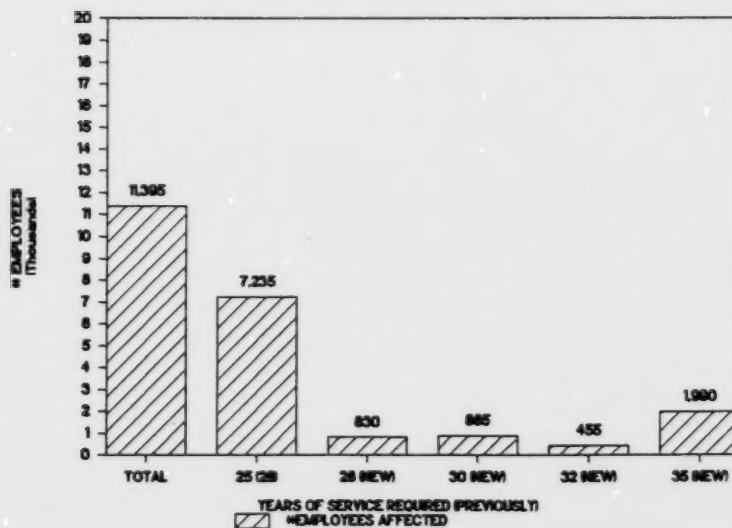
## 6 WEEKS PAID VACATION



Seven companies and 11,395 employees negotiated 7 weeks of paid vacation. For 7,235 employees, the former provision requiring 28 years was changed to 25 years. For the remaining 4,160 employees, 7 weeks paid vacation is new. They will be eligible after working 28-35 years. In addition, one employer introduced 7½ weeks after 25 years.

CHART 6

## 7 WEEKS PAID VACATION



## WORK STOPPAGES

Data on work stoppages under Ontario jurisdiction show that in 1988 there were 180 work stoppages compared to 246 in 1987. These stoppages involved 62,082 employees and resulted in 1,362,155 person-days lost, a 27% reduction in the number of stoppages, but a 23% increase in person-days lost over 1987.

As shown in Table 7, the construction industry, with 12 work stoppages, accounted for 52% of all person-days lost.

It is important to note that time lost through work stoppages in Ontario in 1988 represents 0.12% of the estimated total work time of Ontario's non-agricultural paid workforce. This percentage is a slight increase from the 0.10% in 1987, and 0.09% in 1986.

CHART 7

PERSON-DAYS LOST AS A % OF ESTIMATED  
WORKING TIME, 1978-1988

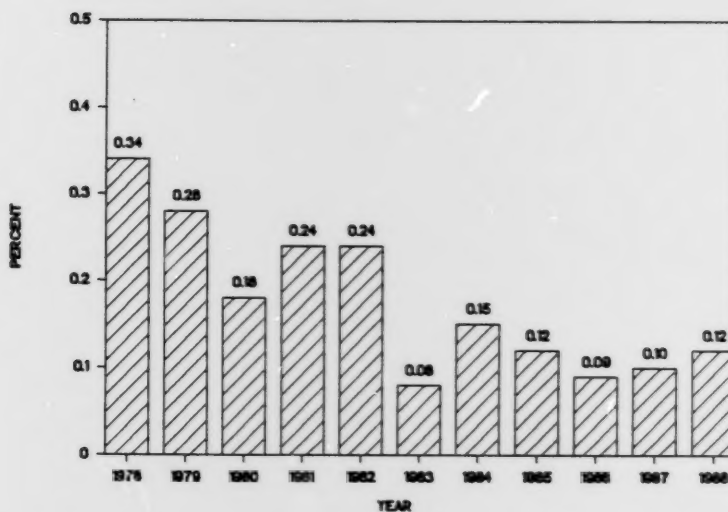


TABLE 7

**WORK STOPPAGES UNDER ONTARIO JURISDICTION BY INDUSTRY**  
**1988 (p) and 1987**

| INDUSTRY                                         | 1988       |                |                  | 1987       |                |                  |
|--------------------------------------------------|------------|----------------|------------------|------------|----------------|------------------|
|                                                  | No.        | No. of Workers | Person Days Lost | No.        | No. of Workers | Person Days Lost |
| <b>All Industries</b>                            | <b>180</b> | <b>62,082</b>  | <b>1,362,155</b> | <b>246</b> | <b>64,339</b>  | <b>1,108,870</b> |
| <b>Manufacturing Industries 1960 SIC</b>         | <b>103</b> | <b>20,084</b>  | <b>522,865</b>   | <b>149</b> | <b>46,833</b>  | <b>792,090</b>   |
| Food and Beverage 101-147                        | 10         | 3,666          | 53,220           | 13         | 3,830          | 23,960           |
| Tobacco Products 151-153                         | -          | -              | -                | -          | -              | -                |
| Rubber 161-169                                   | 3          | 171            | 3,710            | 13         | 1,356          | 17,830           |
| Leather 172-179                                  | 2          | 278            | 2,530            | 1          | 70             | 2,910            |
| Textile 183-229                                  | 4          | 635            | 6,220            | 5          | 805            | 4,420            |
| Knitting Mills 231-239                           | -          | -              | -                | 1          | 230            | 9,200            |
| Clothing Industries 242-249                      | 3          | 535            | 14,820           | 5          | 498            | 34,340           |
| Wood 251-259                                     | 2          | 104            | 1,080            | 5          | 1,023          | 12,100           |
| Furniture and Fixtures 261-268                   | 4          | 396            | 15,720           | 4          | 484            | 29,810           |
| Paper and Allied 271-274                         | 3          | 156            | 8,320            | 5          | 2,443          | 19,090           |
| Printing, Publishing and Allied 286-289          | 8          | 567            | 16,990           | 6          | 191            | 4,400            |
| Primary Metal 291-298                            | 7          | 2,134          | 37,700           | 12         | 2,041          | 50,860           |
| Metal Fabricating 301-309                        | 15         | 916            | 28,330           | 19         | 1,455          | 41,020           |
| Machinery, except Electrical 311-318             | 6          | 363            | 12,340           | 11         | 627            | 35,250           |
| Transportation Equipment 321-329                 | 14         | 2,150          | 49,850           | 19         | 25,391         | 284,220          |
| Electrical Products 331-339                      | 4          | 5,341          | 96,540           | 11         | 3,199          | 144,100          |
| Non-Metallic Mineral Products 341-359            | 3          | 940            | 27,665           | 13         | 2,816          | 70,120           |
| Petroleum and Coal Products 365-369              | -          | -              | -                | -          | -              | -                |
| Chemical and Chemical Products 371-379           | 7          | 1,025          | 122,300          | 5          | 318            | 4,990            |
| Miscellaneous Manufacturing 381-399              | 8          | 707            | 25,530           | 1          | 56             | 3,470            |
| <b>Non-Manufacturing Industries 1960 SIC</b>     | <b>65</b>  | <b>7,573</b>   | <b>137,530</b>   | <b>96</b>  | <b>17,498</b>  | <b>316,720</b>   |
| Forestry 031-039                                 | 3          | 863            | 19,340           | -          | -              | -                |
| Mines, Quarries and Oil Wells 051-099            | 5          | 2,224          | 25,000           | 2          | 250            | 2,920            |
| Transportation 507-519                           | 7          | 618            | 11,650           | 2          | 159            | 1,980            |
| Storage 527                                      | -          | -              | -                | 1          | 35             | 140              |
| Electric, Power, Gas and Water Utilities 572-579 | 2          | 44             | 2,650            | 9          | 422            | 10,760           |
| Trade 602-699                                    | 19         | 1,011          | 32,740           | 21         | 941            | 18,260           |
| Insurance and Real Estate 731-737                | -          | -              | -                | -          | -              | -                |
| Education and Related Services 801-809           | 6          | 941            | 11,490           | 26         | 12,577         | 224,320          |
| Health and Welfare Services 821-828              | 8          | 279            | 20,630           | 7          | 354            | 8,690            |
| Motion Picture and Recreational Services 851-859 | 1          | 35             | 70               | -          | -              | -                |
| Services to Business Management 861-869          | 1          | 8              | 470              | -          | -              | -                |
| Personal and Community Services 871-879          | -          | -              | -                | 2          | 275            | 5,650            |
| Incl. Accommodation and Food Services 875        | 4          | 1,119          | 9,820            | 7          | 158            | 8,910            |
| Miscellaneous Services 891-899                   | 5          | 139            | 2,930            | 6          | 377            | 5,750            |
| Public Administration 931/951                    | 4          | 292            | 740              | 13         | 1,950          | 29,340           |
| <b>Construction Industry 1960 SIC 404-421</b>    | <b>12</b>  | <b>34,425</b>  | <b>701,760</b>   | <b>1</b>   | <b>8</b>       | <b>60</b>        |

p) preliminary figures

## OUTLOOK FOR 1989

Collective bargaining activity in 1989 will be lighter than in 1988. About 2,677 agreements, covering 351,786 employees, are scheduled to expire during the year. Principal industry sectors in which contract talks will take place include education and related services, transportation equipment, communication, transportation, health and welfare services, fabricated metals, and local government.

According to the latest provincial treasury forecast, in 1989 the provincial economy is expected to grow in real terms by 2.8%, inflation to average 5.8%, employment to expand by 1.9%, and the unemployment rate to average 5.2%.

In the beginning of 1989, the general trend in wage settlements was up from 1988. Particularly in the Toronto area, workers were calling for wage increases to keep up with rising inflation. The rise in interest rates early in 1989, slower growth, and the contraction of the Canadian economy in March 1989, for the first time in 2 1/2 years, will likely influence employers' offers at the bargaining table.

If the new inflationary pressures persist into 1989, there will likely be demands for more COLA protection for both active and retired employees, the latter through pension indexing. In addition to wage demands, workers will also be looking for greater job security, while maintaining substantive early and normal retirement provisions. Two other issues in bargaining carried forward from 1988, pay equity and free trade, will be even more important in 1989 as implementation draws near. Workers may be concerned that pay equity adjustments will be treated by employers as a deduction from general wage increases. With respect to free trade, workers will resist attempts by employers for contract concessions as a result of the ensuing competitive economic environment.